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CENTRAL INTELLIGENCE

12 July 1961

MEMORANDUM FOR: Director of Central Intelligence

FROM: Assistant Director/National Estimates

SUBJECT: Instability in Eastern Europe

- 1. In response to your recent request, O/NE has reviewed the situation in Eastern Europe in order to determine whether any general oppositional trends exist in the Satellites at the present time which could be usefully stimulated or exploited by the West.
- 2. Aside from East Germany, which is a case by itself because of its relationship to the Berlin and German problems, the Soviet Union is faced at the moment with a number of difficulties in its East European preserve. Foremost is the disciplinary problem of leftist Albania, which continues to defy Moscow with the support of China. Moreover, a number of the Satellites now are encountering agricultural and food supply problems, which are partly seasonal and partly the result of poorly-conceived policies. Dissatisfaction with

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seenomic policy has even been serious enough in Bulgaria to stimulate factional opposition in the party, to the extent that the party leaders have been moved to conduct a thorough, though peaceful, purge of the party apparatus. The Bulgarian opposition, however, has nothing in common with the Albanian deviation and is not a serious threat to the regime. In Hungary, recent anti-church trials were a manifestation of increased strength, rather than weakness, of the party leaders.

fundamental problems for Moscow, which are unlikely to be resolved in the foreseeable future. Nevertheless, the various current troubles in the area are local in character and do not express any general movement of opposition to Soviet power in Eastern Europe. In our view, general trends do not, at the moment, lend themselves to ready exploitation. With the possible exception of East Germany, the classic conditions which have given rise to serious unrest in the past (severe economic hardship, political repression, popular expectation of impending change in their status, serious factional divisions within the local parties, lack of decisiveness in Moscow) are not present at the moment, and are unlikely to occur in the immediate future. Any serious

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outbreaks in East Germany resulting from a deepening of the Berlin crisis would, of course, have repercussions elsewhere in Eastern Europe, and might substantially change the present outlook.

SHERMAN KENT

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